

(2) For each funding increment, the ACC specifies the initial term over which HUD will make payments for the HA program, and the contract authority and budget authority for the funding increment. For a given HA fiscal year, the amount of HUD's maximum annual payment for the HA program equals the sum of the contract authority for all of the funding increments under the consolidated ACC. However, this maximum amount does not include contract authority for an expired funding increment. If the term of a funding increment expires during the HA fiscal year, this maximum amount only includes the pro-rata portion of contract authority for the portion of the HA fiscal year prior to expiration. (Additional payments may be made from the ACC reserve account described in § 982.154.) However, the amount to be paid must be approved by HUD, and may be less than the maximum payment.

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[60 FR 34695, July 3, 1995, as amended at 60 FR 45661, Sept. 1, 1995]

**§ 982.152 Administrative fee.**

(a) *Purposes of administrative fee.* (1) HUD may approve administrative fees to the HA for any of the following purposes:

- (i) Ongoing administrative fee;
- (ii) Preliminary fee;
- (iii) Cost to help families who experience difficulty renting appropriate housing;
- (iv) Cost to coordinate supportive services for elderly and disabled families;
- (v) Cost to coordinate supportive services for families participating in the family self-sufficiency (FSS) program;
- (vi) Cost of audit by an independent public accountant; and
- (vii) Other extraordinary costs determined necessary by HUD Headquarters.

(2) For each HA fiscal year, administrative fees are specified in the HA budget. The budget is submitted for HUD approval. Fees are paid in the amounts approved by HUD. Administrative fees may only be approved or

paid from amounts appropriated by the Congress.

(b) *Ongoing administrative fee.* (1) The HA ongoing administrative fee is paid for each program unit under HAP contract on the first day of the month. The amount of the ongoing fee is established by HUD.

(2) If appropriations are available, HUD may pay a higher ongoing administrative fee for a small program or a program operating over a large geographic area. This higher fee level will not be approved unless the HA demonstrates that it is efficiently administering its tenant-based program, and that the higher ongoing administrative fee is reasonable and necessary for administration of the program in accordance with HUD requirements.

(3) HUD may pay a lower ongoing administrative fee for HA-owned units.

(c) *Preliminary fee.* (1) A preliminary fee is paid by HUD for each new unit added to the HA program. The preliminary fee is a one time fee for each new unit supported by a new funding increment. HUD establishes the maximum preliminary fee.

(2) The preliminary fee is used to cover expenses that the HA documents it has incurred to help families who inquire about or apply for the program, to lease up new units, or to pay for family self-sufficiency program activities.

(d) *Reducing HA administrative fee.* HUD may reduce or offset any administrative fee to the HA, in the amount determined by HUD, if the HA fails to perform HA administrative responsibilities correctly or adequately under the program (for example, HA failure to enforce HQS requirements; or to reimburse a receiving HA promptly under portability procedures).

**§ 982.153 HA responsibilities.**

(a) The HA must comply with the consolidated ACC, the application, HUD regulations and other requirements, and the HA administrative plan.

(b) In administering the program, the HA must:

- (1) Publish and disseminate information about the availability and nature of housing assistance under the program;

(2) Explain the program to owners and families;

(3) Seek expanded opportunities for assisted families to locate housing outside areas of poverty or racial concentration;

(4) Encourage owners to make units available for leasing in the program, including owners of suitable units located outside areas of poverty or racial concentration;

(5) Affirmatively further fair housing goals and comply with equal opportunity requirements;

(6) Make efforts to help disabled persons find satisfactory housing;

(7) Receive applications from families, determine eligibility, maintain the waiting list, select applicants, issue a voucher or certificate to each selected family, provide housing information to families selected;

(8) Determine who can live in the assisted unit, at admission and during the family's participation in the program;

(9) Obtain and verify evidence of citizenship and eligible immigration status in accordance with 24 CFR part 5.

(10) Review the family's request for approval of the unit and lease;

(11) Inspect the unit before assisted occupancy and at least annually during the assisted tenancy;

(12) Determine the amount of the housing assistance payment for a family;

(13) Determine the maximum rent to the owner, and whether the rent is reasonable;

(14) Make timely housing assistance payments to an owner in accordance with the HAP contract;

(15) Examine family income, size and composition, at admission and during the family's participation in the program. The examination includes verification of income and other family information;

(16) Establish and adjust HA utility allowance;

(17) Administer and enforce the housing assistance payments contract with an owner, including taking appropriate action, as determined by the HA, if the owner defaults (e.g., HQS violation);

(18) Determine whether to terminate assistance to a participant family for violation of family obligations;

(19) Conduct informal reviews of certain HA decisions concerning applicants for participation in the program;

(20) Conduct informal hearings on certain HA decisions concerning participant families;

(21) Provide sound financial management of the program, including engaging an independent public accountant to conduct audits; and

(22) Administer an FSS program (if applicable).

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#### § 982.154 ACC reserve account.

(a)(1) HUD establishes an unfunded reserve account, called the ACC reserve account (formerly "project reserve"), for the HA's program. There are separate ACC reserve accounts for the HA's certificate and voucher programs. The ACC reserve account is established and maintained in the amount determined by HUD.

(2) At the end of each HA fiscal year, HUD credits the ACC reserve account from the amount by which the sum of contract authority for all funding increments under the consolidated ACC (maximum annual payment) exceeds the amount actually approved and paid for the HA fiscal year. However, the maximum annual payment does not include contract authority for an expired funding increment. If the term of a funding increment expires during the HA fiscal year, this maximum amount only includes the pro-rata portion of contract authority for the funding increment covering the portion of the HA fiscal year prior to expiration.

(b) HUD may approve additional payments for the HA program from available amounts in the ACC reserve account.

#### § 982.155 Administrative fee reserve.

(a) The HA must maintain an administrative fee reserve (formerly "operating reserve") for the program. There are separate administrative fee reserve accounts for the HA's certificate and voucher programs. The HA must credit